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CENTRAL ASIAN REPUBLICS

FOLLOW-UP REPORT: IMPLEMENTATION OF INITIAL RECOMMENDATIONS

FROM THE EVALUATION OF WAREHOUSING IN
KYRGYZSTAN

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Submitted to: Bryn Sakagawa
Deputy Director, Office of Health and Education
USAID Central Asia Regional Mission

DISCLAIMER

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OBJECTIVES OF THE TRIP

1. Together with UNDP Logisticians, prepare and conduct a seminar on *storeroom management* targeting warehouse staff (downstream of the Supply Chain).
2. Coach the newly hired UNDP Logisticians in understanding their role, the current situation, and the recommendations from the *Evaluation of Warehousing in Kyrgyzstan*.
3. Prepare UNDP Procurement to tender Third-Party Logistics activity and other equipment related to storeroom condition improvement; prepare UNDP and Project Hope Logistics to transition to Third-Party Logistics (upstream of the Supply Chain).
4. Develop a long-term and sustainable solution to good warehousing for Kyrgyzstan.

ACTIVITIES AND RECOMMENDATIONS

1. Prepared and conducted a seminar, including related supporting materials, with UNDP Logisticians:
 - a. Elaborated and agreed on the seminar agenda, including an overview of the current and future supply chain in Kyrgyzstan for GFATM products, a presentation of the role of UNDP Logistics and UNDP Procurement, and the transmission of the new *Guidelines* and associated tools with realistic exercises.
 - b. Edited and agreed on the content and the Russian translation of the *Guidelines*, the *Laminated Stock Card* and the two *Laminated Do's and Dont's* for storeroom and fridge with UNDP Logisticians.

RECOMMENDATIONS

- *UNDP Logistics should structure their common disk drive in a way that makes it easier for pictures, presentation materials, procedures and other documents to be well organized. This includes filing the latest versions in chronological order in an attempt to increase efficiency and avoid miscommunication.*
- *UNDP Logistics should print more laminated documents.*
- c. Piloted the *Guidelines* and collected comments from storeroom keepers and managers of the National AIDS Center and National TB Center

RECOMMENDATIONS

- *Management of UNDP, Project Hope and USAID should ensure full understanding, acceptance and cooperation from directors and drug management coordinators of the National TB Center, that the transition to Third-Party Logistics will not be jeopardized or limited.*
- d. Conducted the seminar in Bishkek (Wednesday, September 28th, 36 participants representing North of Kyrgyzstan) and in Osh (Friday, September 30th, 18 participants representing the South of Kyrgyzstan) while introducing and involving UNDP Logisticians.

AGREED NEXT STEPS

- *It was agreed that UNDP Logistics will continue training storeroom and fridge keepers and managers that have not attended the seminars. An analysis of Nation-Oblast-Rayon sub-recipient mapping for HIV/AIDS, TB, Malaria, Methadone and Harm reduction products will indicate who has not been trained yet. Staff and managers that have not received training yet should be contacted directly or visited and trained as soon as possible to ensure full understanding of the guidelines, effort required for implementation, and preparedness for the transition to Third-Party Logistics. Any persons that have not been trained create a threat to the transition.*

RECOMMENDATIONS

- *Training should focus specifically on (1) agencies servicing prisons, (2) centers for Narcology distributing Harm Reduction products and (3) and Methadone, and (4) large NGOs that have not been fully evaluated and trained as of now.*
 - *UNDP Logistics should ensure that at least 2 people have been trained as storeroom/fridge keepers at each storage facility. Occurrences of sick-leave as well as any temporary or permanent absence of staff members must not pose a threat to performing good storeroom/fridge management at all times.*
 - *Using the matrix of Appendix C in the Evaluation of Warehousing in Kyrgyzstan, UNDP Logistics should perform a post-seminar evaluation of the storeroom/fridges after six months. There, UNDP Logistics should assess what specific parts of the Guidelines were not fully implemented. A plan must then be set up to achieve full compliance, focusing on the tasks and standards that remained to show discrepancies between actual practice and recommendation.*
 - *As a motivational tool, UNDP Logistics could consider launching a country-wide competition that rewards and celebrates the storeroom keeper with the best storeroom management.*
- e. Collected preliminary results from the satisfaction questionnaires showing a majority of participants declaring that they liked the seminar, they learned something new, and are ready to improve their storeroom and fridge management now to meet WHO standards.

RECOMMENDATIONS

- *UNDP Logistics should analyze the responses from the seminar questionnaires and draw a plan that incorporates some of the most prominent recommendations of the participants. These recommendations should be included in UNDP Logistics' long-term plan.*
2. Coached the two newly hired UNDP Logisticians in their role and the understanding of the current Supply Chain situation:
- a. Presented the current situation of warehousing in Kyrgyzstan, the findings, and agreed on the proposed recommendations with UNDP Logisticians.

RECOMMENDATIONS

- *UNDP Logistics should closely monitor drug management coordinators and storeroom/fridge keepers of National TB Center and ensure full cooperation in the long run.*
- b. Coached UNDP Logisticians in a visit to the multiple storerooms of the National AIDS Center, as an example of evaluation.

AGREED NEXT STEPS

- *In Naryn, Batkhan, and Tala,s where storerooms have not been evaluated by outside consultants, it was agreed that UNDP Logistics would physically visit Oblast AIDS Centers, TB Centers, and Narcology Centers (for methadone and harm reduction paraphernalia) and update the matrix of Appendix C in the Evaluation of Warehousing in Kyrgyzstan.*

RECOMMENDATIONS

- *The same evaluation should be performed for agencies servicing (1) prisons and (2) large NGOs across the country.*
 - *Then, the quantification of new needs for equipment should be transmitted to UNDP Procurement, and the budget for renovation should be adjusted accordingly.*
- c. Performed together an evaluation of the suggested new storeroom of the National AIDS Center.

RECOMMENDATIONS

- *UNDP Logistics should closely monitor the storeroom selected/recommended by sub-recipients before initiating a renovation. The storeroom should be reasonably sized, suitable for medicines (according to the Guidelines, chapter 0/Conditions of storeroom and cabinet), pragmatically located inside the building, particularly mindful of having it as close as possible to the rooms where patients are being treated (reducing internal logistics). This applies specifically to the Health Centers where the storerooms are outside the premises.*
- *UNDP Logistics should make sure that the company contracted to undertake the renovation strictly abides by the decisions of whether or not a storeroom has been well selected for renovation and report any deviation from the instructions.*
- d. Ensured understanding and ownership by UNDP Logistics of the *Guidelines*, the other tools and the future Supply Chain organization in Kyrgyzstan.

RECOMMENDATIONS

- *UNDP should undertake the following purchases for the Logistics team:*
 - *a large dry-erase white board with appropriate markers,*
 - *a large map of the Kyrgyz Republic,*
 - *a cell phone that will be used as main contact phone number.*
- e. Developed an agreed work plan with UNDP Logisticians for next steps.

AGREED NEXT STEPS

- *The critical next step is the complete mapping of Nation-Oblast-Rayon sub-recipients for (1) HIV/AIDS, (2) TB, (3) Malaria, (4) Methadone and (5) Harm reduction products for AIDS Centers, TB Centers, Narcology Centers, prisons and large NGOs. This spreadsheet should be developed as soon as possible and include as many details as possible. It must also include any information provided by UNDP experts in AIDS, TB and Malaria, participants of seminars and National Centers.*

RECOMMENDATIONS

- *The following information should be collected and collated: name of the facility, type of products (AIDS/TB/Malaria/Methadone or Harm Reduction), names of the storeroom/fridge keepers, trained substitute(s), working schedules, number of storerooms and fridges, exact address, land line, cell phone numbers, email addresses, internal chain of commands, name and contact of the manager, currently distributing to which sub-recipients, attended the seminar or not.*
- *It will be very useful to UNDP Logistics to set up a mass mailing list. Therefore, email information should be collected thoroughly and it should be inquired whether using e-mails is a viable avenue of communication.*
- f. Suggested to UNDP Management new roles and responsibilities for UNDP Logisticians during and after the implementation of the Third-Party logistics.
- 3. Prepared UNDP Procurement to tender Third-Party Logistics activity; prepared UNDP and Project Hope Logistics for good transitioning to Third-Party Logistics:
 - a. Coached UNDP Logisticians in their visits and evaluations of four initial respondents to the *Expression Of Interest* prior to the *Request For Pricing*.
 - b. Coached UNDP Logisticians in a visit to a new and very good potential Third-Party Logistics candidate, conducted negotiation to ensure participation in the tender.

RECOMMENDATIONS

- *UNDP Logistics should perform a preliminary costing of the Third-Party Logistics service. Assumptions (provided after as indication, but can be changed) and conclusions should then be discussed with UNDP management and Procurement. It should include:*
 - *Inbound logistics (from customs clearance to warehouse in Bishkek) with 1 or 2 trips per month.*

- Warehousing permanently a maximum of 650m³ of non-refrigerated products and 60m³ of refrigerated products (rent, manpower for unloading, shelving, and loading, overhead, etc.).
 - Outbound logistics (from warehouse in Bishkek to sub-recipients in Bishkek) with 1 trip per month for 25% of the above volume.
 - Outbound logistics (from warehouse in Bishkek to the Oblast level) with 1 trip per month for 75% of the above volume.
 - Outbound logistics (from Oblast level to Rayon level) with 1 trip per month for 75% of the Oblast volume.
 - Third-Party Logistics margin (between 5 to 15%).
 - UNDP Logistics, Procurement and Management should decide whether it is feasible to include Rayon level distribution in the Terms of Reference (ToR) of the Third-Party Logistics tender and for what additional cost.
 - UNDP Logistics should take the lead in writing the ToR of the Third-Party Logistics tender.
- c. Coached UNDP Logisticians in finding more good candidates to the tender.

RECOMMENDATIONS

- UNDP Logistics should search, contact, visit and explain the tender to 3 or 4 other good potential applicants to ensure sufficient competition in quantity and quality (Bemed, Pharmtrade, Eli Lilly, etc). UNDP Logistics should ensure their potential interest.
- d. Searched and provided references to WHO documents detailing specifications of storeroom and fridge equipments to UNDP Procurement.

RECOMMENDATIONS

- In their estimated budget, UNDP Procurement should adjust the number and the type of fire extinguishers (foam vs. powder) for: (a) storeroom without fridges, and (b) storeroom with fridges.
 - UNDP Procurement should add a thermometer (with hygrometer for the sake of standardization) for every room including a fridge.
 - UNDP Procurement should add smoke detector to the list of equipments.
 - UNDP Procurement should adjust the budget in accordance to the storeroom/fridge evaluations of:
 - TB Centers, and Narcology Centers (for methadone and harm reduction paraphernalia) in Naryn, Batken, and Talas,
 - prisons and large NGOs.
 - Ensure equipment specifications for tender are similar for both principal recipients: UNDP and Project Hope. The more standardized the equipment, the easier will be the maintenance and communication with storeroom/fridge keepers for AIDS and TB products, and the simpler the stock management.
- e. Led a 3-hour brainstorming and mapping session of the steps to good transition to Third-Party logistics with limited risks of disturbance for sub-recipients.

Recommended detailed work plan associated with timeline.

AGREED NEXT STEPS

- UNDP Logistics will list the steps and tasks from the notes of this mapping and put them on a week-by-week timeline to ensure a realistic planning. The planning should be worked out with UNDP Procurement and be aligned with tender posting and award deadlines.

RECOMMENDATIONS

- *UNDP Logistics should ensure that storerooms are renovated before starting the transition to Third-Party Logistics, so that storeroom keepers will be ready to order and receive deliveries directly from Third-Party Logistics.*
- *In order to ensure total alignment with Guidelines, UNDP Logistics should thoroughly debrief the renovation company with the specifications required for:*
 - *Renovating (paint without odor, concrete floor, obstruction of any source of odor, etc.)*
 - *Installing air-conditioners, heaters and thermometers/hygrometer*
 - *Installing shelves and fixing laminated stock cards*
 - *Installing and placing smoke detector and fire extinguisher*
 - *Training storeroom keepers in using equipments*
 - *Posting signs*
 - *Etc.*
- *UNDP Logistics **must** ensure that the Guidelines are well understood and applied by the renovation company. It is recommended to double check to make sure that no task is forgotten or will be done improperly, and that everything is standardized.*

f. Prepared for an M+E system accompanying transition to Third-Party Logistics.

RECOMMENDATIONS

- *UNDP Logistics should liaise and get agreement from M+E specialists at UNDP, National AIDS Center, National TB Center and National Narcology Center on the following points regarding high-quality Monitoring + Evaluation:*
 - *What communication channels should be used?*
 - *How can annual forecast be compared against monthly/quarterly orders?*
 - *What will be the protocol in case of surplus/deficit after a period?*
 - *What will be the protocol in case of surplus/deficit at the year end?*
 - *The USAID Quality Project consultant recommends that UNDP Logistics promote and agree with M+E specialists with an **a-posteriori** control every quarter. Therefore, replenishment requisitions from sub-recipients should not be stopped, controlled and then transmitted by the National AIDS and TB Centers. This intermediary step might add unnecessary delays in the replenishment requisition processing and delivery deadlines and could considerably limit the benefits of this new supply chain.*
 - *UNDP Logistics should then write a short procedure to ensure good understanding and best application.*
4. Inquired further for a long-term and sustainable solution to good warehousing in Kyrgyzstan.
- a. Approached international health agencies, assessed their current warehousing capabilities and potential interest in envisaging a long-term and common solution.
 - b. Found high level of interest.

RECOMMENDED NEXT STEPS

1. Support should be provided to UNDP Logistics and Procurement for successful tender, contracting, and implementing and transitioning to Third-Party Logistics.
2. Develop robust M+E team, system, procedures, and tools with new data set provided by the Third-Party Logistics and supporting 4 levels of indicators: operational at the SR level, decision-making at the PR level, CCM reporting, and GFATM reporting.
3. Move towards consensual decision making for long-term warehousing solution in Kyrgyzstan

APPENDIX A: MISSION SHEDULE

Date	Activity	Attended by
Monday 19/09/2011: 9am	At UNDP, meeting with Administration for organizational details of the seminar	Pierre de Vasson
1pm	Visting customs clearance at Manas Airport	Chyngyz Ibraev
Tuesday 20/09/2011: 10am	In Bishkek, meeting with Project Hope Program Manager	Pierre de Vasson
1pm	Attending CCM meeting with presentation of DashBoard by GMS consultants	David Kokiashvili
		Nurdin Buteshev
Wednesday 21/09/2011: 9am	At UNDP, welcoming new UNDP Logistician Nurzat Sheishenov and introducing him to UNDP PSM	Chyngyz Ibraev
1pm	At UNDP, editing Guidelines and Do's and Don't's	Nurzat Sheishenov
		Pierre de Vasson
Thursday 22/09/2011 9am	At UNDP, editing Guidelines and Do's and Don't's	Chyngyz Ibraev
		Nurzat Sheishenov
		Pierre de Vasson
Friday 23/09/2011 9am	At National AIDS Center in Bishkek, meeting & visiting proposed storerooms and current storages,	Chyngyz Ibraev
1pm	At UNDP, editing Guidelines and Do's and Don't's	Nurzat Sheishenov
		Pierre de Vasson
Monday 26/09/2011 9am	At UNDP, editing Guidelines and Do's and Don't's	Chyngyz Ibraev
2pm	At UNDP, meeting with Administration for final organization of the seminar	Nurzat Sheishenov
4pm	At UNDP, meeting with UNDP Procurement, rehearsal of seminar and final decisions	Pierre de Vasson
Tuesday 27/09/2011 9:30 am	In Bishkek, meeting, visiting and evaluating 4 respondants to the Expression of Interest for Third-Party Logistics	Chyngyz Ibraev
11:30am		Nurzat Sheishenov
12pm		Pierre de Vasson
1:30pm		
4pm	In Bishkek, meeting and visiting a new potential respondant Nemann	
Wednesday 28/09/2011 8am	In Bishkek, conducting 1 st seminar	Chyngyz Ibraev
		Nurzat Sheishenov
		Pierre de Vasson
Thursday 29/09/2011 9am	At UNDP, brainstorming about transitionning Third-Party Logistics with UNDP Logistics and Project Hope Logistics	Chyngyz Ibraev, Nurzat
11am	In Bishkek, meeting and visiting Médecins Sans Frontières (MSF) for long-term warehousing solution	Sheishenov, Nurdin
2pm	In Bishkek, meeting and visiting central warehouse of Nemann	Buteshev
4pm	In Bishkek, meeting and visiting directors of Nemann	Pierre de Vasson
Friday 30/09/2011 8am	In Osh, conducting 2 nd seminar	Chyngyz Ibraev
		Nurzat Sheishenov
		Pierre de Vasson